

**CO-OPERATIVE FEDERATION OF VICTORIA LTD
FINANCIAL STATEMENTS
YEAR ENDING 30 JUNE 2008**

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

To the members,

Your directors submit their report, together with the audited accounts of the Federation, for the year ended 30 June 2008.

DIRECTORS

The Directors in office during the year and up to the date of this report are:

Anthony Francis O'SHEA
John Niel BLACK
David Graham DINNING
Graeme John CHARLES
Diane BATTERHAM
Shirley FARAHM

PRINCIPAL ACTIVITIES

The principal activities of the Federation in the course of the financial year were:

- Maintaining relations with the Registry of Co-operatives
- Maintenance of Australian Co-operative portal <www.australia.coop>
- Promoting the Co-operative option
- Conducting seminars and workshops
- Participating in meetings of the Co-operatives Council of Australia
- Development of a Co-operative education program
- Fostering co-operation between Co-operatives.

OPERATING RESULTS FOR THE YEAR

The surplus of the Federation for the financial year after provision for income tax was \$2,752 (2007 surplus of \$4,496).

ENVIRONMENTAL REGULATION

The Co-operative's activities are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

The Directors recommend that no amount should be paid by way of dividend. No amount has been paid or declared by way of dividend since the end of the previous financial year.

REVIEW OF OPERATIONS

The Federation concluded the financial year with an operating surplus of \$2,902 *before* provision for income tax compared to a surplus of \$4,496 the previous year.
4586

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Federation over the year.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Anthony Francis O'Shea

Chairman

Director and Secretary, Avoca District Co-operative Ltd
26 years experience as Co-operative Director/Manager

John Niel Black

Past Chairman

31 years experience as Co-operative Director

David Graham Dinning

Independent Director

31 years as a Director and Manager and full-time professional at various levels
of the Credit Co-operative movement in Australia and overseas.

Graeme John Charles

Director

Director of North East Telecommunications Co-operative Ltd.

Director of Co-operative Energy Limited.

Diane Batterham

Director

Executive of Westgate Health Co-operative Ltd.

Shirley Faram (appointed 29 November 2007)

Director

Director of South East Housing Co-operative Ltd

Five board meetings were held during the 2007/08 year. The attendances at board meetings were:

- A. O'Shea attended 5 out of 5 meetings
- N. Black attended 5 out of 5 meetings
- D. Dinning attended 4 out of 5 meetings
- G. Charles attended 5 out of 5 meetings
- D. Batterham attended 3 out of 5 meetings
- S. Faram attended 2 out of 3 meetings

DIRECTORS EMOLUMENTS

Directors are not paid any fees for services as a director. The directors were paid fees for consultancy services and reimbursements as follows:

	Consultancy Fees \$	Reimbursements \$	Total \$
A. O'Shea	-	-	-
N. Black	-	-	-
D. Dinning	-	-	-
G. Charles	1,000	2,370	3,370
D. Batterham	-	-	-
S. Faram	-	-	-
Total	1,000	2,370	3,370

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

DIRECTORS EMOLUMENTS (CONT.)

Excepting the amounts disclosed above, since the end of the previous financial year, no Director of the Federation has received or become entitled to receive a benefit, by reason of a contract made by the Federation with the Director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

No director has an interest in a contract which the directors are entitled to a benefit which confers a right to call for or deliver shares in, or debentures of or interest in a registered scheme made available by the Federation or a related body corporate.

AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the Federation's operations for the next succeeding financial year.

INDEMNIFYING OFFICERS OR AUDITORS

The Federation has paid a premium to insure directors and officers against liability for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Federation, other than conduct involving wilful breach of duty in relation to the Federation.

The Federation has not given or entered into an agreement to indemnify any person who is or has been an officer or auditor of the Federation in relation to defending legal proceedings.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

Signed on this 17th day of November 2008.

.....
Director – Graeme Charles

.....
Director - Tony O'Shea

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**INCOME STATEMENT
YEAR ENDED 30 JUNE 2008**

	Notes	2008	2007
		\$	\$
INCOME			
Consultancy Fees		16,380	18,948
Co-operative Education Programs		19,500	37,335
Commission Received		1,000	-
Gardiner Foundation Project		5,000	-
Grant Income	2	-	517
Membership Subscriptions		13,735	17,805
Sundry Income		<u>362</u>	<u>579</u>
		<u>55,977</u>	<u>75,184</u>
EXPENSES			
Auditors' Remuneration	3	715	1,158
Co-operative Education Programs		16,610	34,267
Co-operative Health Project		-	1,000
Depreciation		116	82
Honorariums	8	4,686	5,112
Insurance		1,915	2,314
Meeting Expenses		517	651
Online Module Development		4,168	-
Office & Computer Requisites		2,600	4,219
Postage, Printing & Stationery		1,039	737
Secretary's Consultants Fees		14,176	16,047
Secretary's Out of Pockets		-	87
Sundry Expenses		51	456
Telephone, Fax & Internet		3,512	2,628
Travel and Accommodation Reimbursements		<u>2,970</u>	<u>1,840</u>
		<u>53,075</u>	<u>70,598</u>
OPERATING SURPLUS			
		<u>2,902</u>	<u>4,586</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**INCOME STATEMENT
YEAR ENDED 30 JUNE 2008**

	Notes	2008	2007
		\$	\$
Operating Surplus Before Income Tax		2,902	4,586
Income Tax Expense Attributable to Operating Surplus	4	<u>150</u>	<u>90</u>
Operating Surplus After Income Tax		2,752	4,496
Retained Surplus at the beginning of the Financial Year		<u>9,344</u>	<u>4,848</u>
Retained Surplus at the end of the Financial Year		<u>12,096</u>	<u>9,344</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash at Bank		10,692	8,281
Stock of Publications		3,030	2,973
Total Current Assets		<u>13,722</u>	<u>11,254</u>
NON-CURRENT ASSETS			
Investments			
- Community Enterprise Network (at cost)		10	10
- CPS Ltd (at cost)		10	10
Office Furniture and Equipment (at WDV)	5	-	116
Deferred Tax Asset	4	-	150
Total Non-Current Assets		<u>20</u>	<u>286</u>
TOTAL ASSETS		<u>13,742</u>	<u>11,540</u>
CURRENT LIABILITIES			
Sundry Creditors		-	550
Total Liabilities		<u>-</u>	<u>550</u>
NET ASSETS		<u>13,742</u>	<u>10,990</u>
EQUITY			
Share Capital	6	540	540
Reserves		1,106	1,106
Retained Surplus		12,096	9,344
Total Equity		<u>13,742</u>	<u>10,990</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2008**

	Ordinary Shares	Retained Surplus	Forfeited Share Reserve	Statutory Reserve	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2006	540	4,848	790	316	6,494
Operating Surplus	-	4,496	-	-	4,496
Balance at 30 June 2007	540	9,344	790	316	10,990
Operating Surplus	-	2,752	-	-	2,752
Balance at 30 June 2008	540	12,096	790	316	13,742

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$ Inflows (Outflows)	2007 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from operating activities		55,977	74,667
Cash Payments from operating activities		<u>(53,566)</u>	<u>(70,631)</u>
Net Cash Provided by Operating Activities	7(b)	<u>2,411</u>	<u>4,036</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital Received		-	-
Share Capital Refunded		<u>-</u>	<u>-</u>
Net Cash Provided by Financing Activities		<u>-</u>	<u>-</u>
Net increase in cash held		2,411	4,036
Cash at the beginning of the financial year		<u>8,281</u>	<u>4,245</u>
Cash at the end of the financial year	7(a)	<u>10,692</u>	<u>8,281</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

NOTES TO AND FORMING PART OF THE ACCOUNTS YEAR ENDED 30 JUNE 2008

1. Statement of Accounting Policies

a) Basis of Accounting

The Co-operative Federation of Victoria Ltd is a non-reporting entity because in the Directors' opinion there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all their information needs, and these accounts are therefore a "Special Purpose Financial Report" that has been prepared solely to meet the *Co-operatives Act 1996* requirements to prepare accounts.

The accounts have been prepared in accordance with the requirements of the *Co-operatives Act 1996*, and the following applicable Accounting Standards and Australian Accounting Interpretations:

- AASB 101: Presentation of Financial Statements
- AASB 107: Cash Flow Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110: Events after the Balance Sheet Date
- AASB 117: Leases
- AASB 1031: Materiality
- AASB 1048: Interpretation and Application of Standards

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The accounts have been prepared under the historical cost convention and, therefore, do not take into account changing money values or, except where stated, the current value of monetary assets.

The accounting policies adopted are consistent with those applied in the previous year, unless specifically stated.

b) Plant and Equipment

Plant and equipment are included at cost. All assets are depreciated over their useful lives by the straight line method.

d) Income Tax

The charge for current income tax expense is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting surplus or taxable income or loss.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2008**

d) Income Tax (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2008**

	2008 \$	2007 \$
2. Grant Income		
Consumer Affairs Victoria		
Unearned Income Brought Forward	-	517
	-	<u>517</u>
3. Auditors' Remuneration		
Charging as Expense		
Auditors' remuneration		
(i) auditing of accounts	-	550
(ii) accounting and taxation services	<u>715</u>	<u>608</u>
	<u>715</u>	<u>1,158</u>
4. Income Tax Expense		
a) The prima facie tax payable on operating surplus is reconciled to the income tax provided in the accounts as follows:		
Operating Surplus before Income Tax	2,902	4,586
Add Accrued Audit Fee	-	550
Less Prior Year Accrued Audit Fee	<u>(550)</u>	<u>(800)</u>
Tax Profit	2,352	4,336
Tax effect at company tax rate	706	1,301
Tax losses utilised	(706)	(1,301)
Decrease in Deferred Tax Asset	<u>150</u>	<u>90</u>
Income Tax Expense	<u>150</u>	<u>90</u>
Deferred Tax Asset relates to:		
• Timing Differences	-	<u>150</u>

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
5. Property, Plant & Equipment		
Office Furniture and Equipment		
At Cost	2,636	2,636
Accumulated depreciation	<u>(2,636)</u>	<u>(2,520)</u>
	-	116
6. Share Capital		
Issued capital: 270@\$2 shares	<u>540</u>	<u>540</u>
7. Cash flow Statement Information		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank – Bendigo Bank	<u>10,692</u>	<u>8,281</u>
(b) Reconciliation of operating surplus/(loss) to net cash flows from operation as follows:		
Operating Surplus/(Deficit) After Income Tax	2,752	4,496
Depreciation	116	82
(Decrease)/Increase in stock	(57)	135
(Decrease) in sundry creditors	(550)	(250)
Decrease in deferred tax asset	150	90
(Decrease) in unearned income	-	(517)
Cash flows from operations	<u>2,411</u>	<u>4,036</u>
8. Honorariums	<u>4,686</u>	<u>5,112</u>

Honorarium payments are to the Secretary. The Secretary is the sole recipient of any honorarium payments.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS DECLARATION

The Directors have determined that the Federation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

1. The financial statements and notes, as set out on pages 4 to 12:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Co-operatives Act 1996*; and
 - b. give a true and fair view of the Federation's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.

Signed this 17th day of November 2008 in accordance with a resolution of Directors.

.....
Director - Graeme Charles

.....
Director - Tony O'Shea

Co-operative Federation of Victoria Ltd.

Balance Sheet as at 30 June 2008

Current Assets	\$
Cash at Bank	10692
Stock of Books	<u>3030</u>
	<u>13722</u>
Non-current Assets	
Shares – CEN	10
- CPS Ltd	10
Deferred Tax Asset	<u>150</u>
	<u>170</u>
Total Assets	<u>13892</u>
Current Liabilities	NIL
Equity	
Share capital	540
Reserves	1106
Retained Surplus	<u>12246</u>
Total Equity	<u>13892</u>

Co-operative Federation of Victoria Ltd.

Income Statement for year ended 30 June 2008

Income:	\$	\$
Membership subscriptions		13735
Co-op Identity programs		19500
Commission received – Co-op College		1000
Gardiner Foundation project		5000
Consultancy fees (SEHC)		16380
Sundry income	<u>362</u>	
		55977
Expenses:		
Secretary – honorarium	4686	
- fees re Consultancy income	14176	
Office & computer requisites	2600	
Internet & website	2315	
Meetings	517	
Postage & Stationery	407	
Travel & Accommodation reimbursements	2970	
Co-op Identity program fees	16610	
Telephone inc. CCA conference calls	1197	
D&O Insurance premium	1915	
Audit fee	715	
Online module development	4168	
Depreciation	116	
Printing – brochure	632	
Sundry expenses	<u>513</u>	5307\$
Operating Surplus		<u>2902</u>

Co-operative Federation of Victoria Ltd.

Statement of Receipts and Payments for period 1 July 2007 – 30 June 2008.

Cash Balance 1 July 2007	\$ 8281
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Plus Receipts:

Membership subscriptions	\$ 13735
Co-op education programs	19500
Consultancies – SEHC inc. website development	16380
Commission received – Co-op. College	1000
Gardiner Foundation	5000
Sundry receipt	20
Sales of book	204
Google ads.	104
AGM lunches	<u>238</u>

\$ 64462

less Payments:

Secretary – honorarium	\$ 4686
- re consultancies	14176
Office & Computer Requisites	2600
Internet connection & Website	2315
Meeting expenses	517
Postage & Stationery	407
G.Lewis re book sales	261
Travel/accom. Reimbursements	2970
Co-op Education program expense	16610
Telephone inc. CCA teleconference	1197
D&O Insurance	1915
Audit fees	1265
CAV annual return fee	45
Education brochure	632
Online training program costs	4168
Bank fee	<u>6</u>
	<u>53770</u>
Cash balance 30 June 2008	<u>\$ 10692</u>

Balance as per Bendigo Bank Statement 30 June 2008	\$ 11168
Less unpresented cheques	<u>476</u>
	<u>\$ 10692</u>